

Failure to file return or to furnish statement. The section 6721 penalty applies to an interest recipient that fails to file a return required by paragraph (a) of this section with respect to a payor of record. The section 6722 penalty applies to an interest recipient that fails to furnish a statement required by paragraph (b) of this section to a payor of record.

(ii) *Failure to furnish TIN.* The section 6721 penalty may apply to an interest recipient that fails to furnish the TIN of a payor of record on a return required by paragraph (a) of this section. The section 6721 penalty may apply to an interest recipient that fails to request and to obtain the TIN of a payor of record under paragraph (f) of this section.

(iii) *Failure to include correct information.* The section 6721 penalty may apply to an interest recipient that fails to include correct information on a return required by paragraph (a) of this section. The section 6722 penalty may apply to an interest recipient that fails to include correct information on a statement required by paragraph (b) of this section to be furnished to a payor of record.

(f) *Requirement to request and to obtain TIN—(1) In general.* For obligations incurred after December 31, 1987, an interest recipient must make all reasonable efforts to obtain the TIN of a payor of record when the payor of record incurs the obligation. For example, an interest recipient may require a borrower to furnish a TIN during the mortgage approval or application process. If an interest recipient does not maintain the TIN of a payor of record on a mortgage, whenever incurred, it must request the TIN at least annually and must process responses properly and promptly.

(2) *Manner of requesting TIN.* An interest recipient need not separately mail a request for a TIN. An interest recipient may include a request in its regular mailing of payment coupon booklets or annual statements. If an interest recipient makes no mailing to a payor of record during the year in which the payor of record incurs the obligation, it must request the TIN in a separate mailing. No particular form is required to request a TIN. Neverthe-

less, an interest recipient must make the request on a separate paper and must clearly notify a payor of record that the Internal Revenue Service requires the payor of record to furnish a TIN in order to verify any mortgage interest deduction. An interest recipient must notify a payor of record that failure to furnish a TIN subjects the payor of record to a \$50 penalty imposed by the Internal Revenue Service. A request for a TIN made on Form W-9 satisfies the requirement of this paragraph (f)(2).

(g) *Effective date—(1) In general.* Except as provided in paragraph (g)(2) of this section, this section is effective for mortgage interest received after December 31, 1987. Section 1.6050H-1T contains rules for reporting mortgage interest received after December 31, 1984, and before January 1, 1988.

(2) *Points.* The reporting requirement of this section does not apply to prepaid interest in the form of points received before January 1, 1995.

[T.D. 8191, 53 FR 12005, Apr. 12, 1988, as amended by T.D. 8507, 58 FR 68753, Dec. 29, 1993; T.D. 8571, 59 FR 63253, Dec. 8, 1994; T.D. 8895, 65 FR 50408, Aug. 18, 2000]

§ 1.6050H-3T Information reporting of mortgage insurance premiums (temporary).

(a) *Information reporting requirements.* Any person who, in the course of a trade or business receives premiums, including prepaid premiums, for mortgage insurance (as described in paragraph (b) of this section) from any individual aggregating \$600 or more for any calendar year, shall make an information return setting forth the total amount received from that individual during the calendar year pursuant to the forms and instructions prescribed by the Secretary.

(b) *Scope.* Paragraph (a) of this section applies to mortgage insurance provided by the Federal Housing Administration, Department of Veterans Affairs, or the Rural Housing Service (or their successor organizations), or to private mortgage insurance (as defined by section 2 of the Homeowners Protection Act of 1998 (12 U.S.C. 4901) as in effect on December 20, 2006). The rule stated in paragraph (a) of this section applies to the receipt of all payments

Internal Revenue Service, Treasury

§ 1.6050I-0

of mortgage insurance premiums, by cash or financing, without regard to source.

(c) *Aggregation.* Whether a person receives \$600 or more of mortgage insurance premiums is determined on a mortgage-by-mortgage basis. A recipient need not aggregate mortgage insurance premiums received on all of the mortgages of an individual to determine whether the \$600 threshold is met. Therefore, a recipient need not report mortgage insurance premiums of less than \$600 received on a mortgage, even though it receives a total of \$600 or more of mortgage insurance premiums on all of the mortgages for an individual for a calendar year.

(d) *Cross reference.* For rules concerning the allocation of certain prepaid qualified mortgage insurance premiums, see § 1.163-11T of this chapter.

(e) *Effective/applicability date.* This section applies to mortgage insurance premiums received on or after January 1, 2008.

(f) *Expiration date.* The applicability of this section expires on May 4, 2012.

[T.D. 9449, 74 FR 21258, May 7, 2009]

§ 1.6050I-0 Table of contents.

This section lists the major captions that appear in §§ 1.6050I-1 and 1.6050I-2.

§ 1.6050I-1 Returns relating to cash in excess of \$10,000 received in a trade or business.

- (a) Reporting requirement.
- (1) Reportable transaction.
- (i) In general.
- (ii) Certain financial transactions.
- (2) Cash received for the account of another.
- (3) Cash received by agents.
- (i) General rule.
- (ii) Exception.
- (iii) Example.
- (b) Multiple payments.
- (1) Initial payment in excess of \$10,000.
- (2) Initial payment of \$10,000 or less.
- (3) Subsequent payments.
- (4) Example.
- (c) Meaning of terms.
- (1) Cash.
- (i) Amounts received prior to February 3, 1992.
- (ii) Amounts received on or after February 3, 1992.
- (iii) Designated reporting transaction.
- (iv) Exception for certain loans.
- (v) Exception for certain installment sales.
- (vi) Exception for certain down payment plans.

- (vii) Examples.
- (2) Consumer durable.
- (3) Collectible.
- (4) Travel or entertainment activity.
- (5) Retail sale.
- (6) Trade or business.
- (7) Transaction.
- (8) Recipient.
- (d) Exceptions to the reporting requirements of section 6050I.
- (1) Receipt of cash by certain financial institutions.
- (2) Receipt of cash by certain casinos having gross annual gaming revenue in excess of \$1,000,000.
- (i) In general.
- (ii) Casinos exempt under 31 CFR 103.45(c).
- (iii) Reporting of cash received in a non-gaming business.
- (iv) Example.
- (3) Receipt of cash not in the course of the recipient's trade or business.
- (4) Receipt is made with respect to a foreign cash transaction.
- (i) In general.
- (ii) Example.
- (e) Time, manner, and form of reporting.
- (1) Time of reporting.
- (2) Form of reporting.
- (3) Manner of reporting.
- (i) Where to file.
- (ii) Verification.
- (iii) Retention of returns.
- (f) Requirement of furnishing statements.
- (1) In general.
- (2) Form of statement.
- (3) When statement is to be furnished.
- (g) Cross-reference to penalty provisions.
- (1) Failure to file correct information return.
- (2) Failure to furnish correct statement.
- (3) Criminal penalties.

§ 1.6050I-2 Returns relating to cash in excess of \$10,000 received as bail by court clerks.

- (a) Reporting requirement.
- (b) Meaning of terms.
- (c) Time, form, and manner of reporting.
- (1) Time of reporting.
- (i) In general.
- (ii) Multiple payments.
- (2) Form of reporting.
- (3) Manner of reporting.
- (i) Where to file.
- (ii) Verification of identity.
- (d) Requirement to furnish statements.
- (1) Information to Federal prosecutors.
- (i) In general.
- (ii) Form of statement.
- (2) Information to payors of bail.
- (i) In general.
- (ii) Form of statement.
- (iii) Aggregate amount.
- (e) Cross-reference to penalty provisions.
- (f) Effective date.

[T.D. 8652, 61 FR 7, Jan. 2, 1996, as amended by T.D. 8974, 66 FR 67687, Dec. 31, 2001]